Executive Council

Annual Report 2007-2008

Alberta

Executive Council

Annual Report
2007-2008

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 20 ministries.

The annual report of the Government of Alberta released June 24, 2008 contains ministers' accountability statements, the consolidated financial statements of the province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's business plan.

On March 12, 2008, the government announced new ministry structures. This change did not affect the structure of the Ministry of Executive Council.

This annual report of the Ministry of Executive Council contains the minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry's business plan. This ministry annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2008, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 9, 2008 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original signed

Ed Stelmach
Premier

Message from the Minister

I'm pleased to offer Albertans this report on the activities of Executive Council for 2007-08. It includes operational highlights and financial information for Executive Council and the Public Affairs Bureau.

During the 2007-08 fiscal year, government actions were based on five priorities. These priorities were:

- governing with integrity and transparency;
- managing growth pressures;
- improving Albertans' quality of life;
- providing safe and secure communities; and
- building a strong Alberta.

A great deal has been accomplished, including the announcement of the Municipal Sustainability Initiative and changes to the royalty structure. We also completed a review of government agencies, boards and commissions.

This year also brought the transition to a new cabinet. Throughout all of these actions and changes, Executive Council staff played an important role, from supporting the Board Governance Task Force to ongoing strategic planning to communications planning.

While much was accomplished in 2007-08, there is still much to be done. This year brings with it new priorities and bold actions. I am proud of the work we've done so far, and I am committed to moving forward on our plan for Alberta's future.

Original signed

Ed Stelmach
Premier

Management's Responsibility for Reporting

The Ministry of Executive Council includes:

- Executive Council/Office of the Premier; and
- the Public Affairs Bureau.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the ministry rests with the Premier, minister responsible for Executive Council. Under the direction of the minister responsible, I oversee the preparation of the ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, Treasury Board and the Minister of Finance any information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executive of the individual entities within the ministry.

Original signed

Ron Hicks
Deputy Minister, Executive Council

Entity Chart

Executive Council

Office of the Premier / Executive Council

Office of the Premier
- provides planning, communications and administrative support to the Premier's offices in Edmonton and Calgary

Deputy Minister's Office
- provides advice and support to the Premier on policy and organizational issues
- provides leadership to the Alberta Public Service

Cabinet Coordination Office
- provides organizational and administrative support and advice to Cabinet and its key committees

Policy Coordination Office
- supports long-term strategic planning and policy coordination for government
- promotes cross-ministry coordination in the implementation of strategic priorities

Agency Governance Secretariat
- provides support for the review of the structure and effectiveness of agencies, boards and commissions
- manages the implementation of recommendations of the review

Protocol Office
- plans and coordinates international visits and provincial government ceremonial events
- manages Government House operations

Alberta Order of Excellence
- supports the Alberta Order of Excellence Council, which reviews public nominations and selects individuals to receive the province's highest honour

Office of the Lieutenant Governor
- provides planning, communications and administrative support to the Lieutenant Governor

780-427-2251
www.alberta.ca
www.premier.alberta.ca

Public Affairs Bureau

Strategic Communications
- helps government communicate with Albertans by assigning staff to communications branches across government
- plans, coordinates and executes cross-government communications activities
- coordinates government communications to and from Albertans during public emergencies

Internal Communications
- plans and coordinates government-wide internal communications

Internet Services
- manages the Government of Alberta website and coordinates cross-government standards for all ministry websites

Marketing Services
- manages the Government of Alberta Corporate Identity
- provides advertising consultation and support to ministries, and coordinates corporate advertising

Information Technology and Media Services
- distributes government news releases
- provides media monitoring to ministries
- provides technical support for major government news conferences and announcements
- provides IT support to the ministry

Corporate Services
- manages human resources, finance, administrative, business planning/annual reports, records management and FOIP needs for the ministry

780-427-2754
www.publicaffairs.gov.ab.ca

Operational Overview

The Ministry of Executive Council includes the Office of the Premier/Executive Council, which provides organizational and administrative support and advice to Cabinet; delivers long-term strategic planning and policy coordination for government; plans and coordinates international visits and provincial government ceremonial events; supports government agencies, boards and commissions; and provides planning, communications and administrative support to the Office of the Premier, the Office of the Lieutenant Governor and the Alberta Order of Excellence Council.

Executive Council also includes the Public Affairs Bureau, which helps government communicate with Albertans; develops communications for government's long-term strategic plans and priority initiatives; supports internal government communications; coordinates advertising and the corporate identity program; provides Albertans with two-way access to government through central communications and information resources; and ensures effective communications with Albertans during public emergencies.

2007-08 Key Activities

Office of the Premier/Executive Council

Agency Governance Secretariat

The Board Governance Review was undertaken to improve the transparency and accountability of the government's agencies, boards and commissions. In 2007-08, the secretariat provided support to the Board Governance Task Force and supported ministries and agencies throughout the process. Following the completion of the review, the secretariat began the process of managing the implementation of the framework, including development of a database for a government agency inventory; providing support in clarifying mandates and roles of agencies, ministries and government; creating a classification system for agencies with similar functions; and supporting improvements in agency recruitment processes.

Policy Coordination Office

In 2007-08, the Policy Coordination Office supported the annual strategic planning process through leadership on the Government of Alberta Environmental Scan and the identification of long-term strategic issues, and co-led the development of the three-year Government of Alberta Strategic Business Plan. The office supported the identification, implementation and progress tracking of government priorities and supported the transition to a new Government. The Policy Coordination Office also supported decision-makers by working with departments to prepare policy proposals and preparing briefing notes for Agenda and Priorities Committee, Cabinet Policy Committees; the Secretary to Cabinet and the Premier and promoted a corporate, cross-ministry approach to policy development that is aligned with government priorities.

In addition, the office supported the development of a report outlining options to strengthen policy capacity in the public sector and implemented changes to enhance the policy development processes and documents that support decision-making.

Democratic Reform

In 2007-08, Executive Council affirmed its commitment to democratic reform with the re-establishment of all party committees, including the appointment of opposition members as vice-chairs of the Policy Field Committees.

Protocol Office

In 2007-08, the Protocol Office coordinated and provided expertise on more than 50 visits of international dignitaries to Alberta, including the President of the Republic of Hungary, the Prime Minister of the Kingdom of the Netherlands, the Governor of Montana, several ministers of energy as well as other heads of states, foreign ministers, ambassadors and consuls general. The office also coordinated the official reception and dinner following the unveiling of former Premier Klein's portrait and provided planning and advice for provincial government ceremonial events, including the installation of four Cabinet members in June of 2007 at McDougall Centre in Calgary and full Cabinet in March of 2008 at Government House in Edmonton.

The Alberta Order of Excellence

The Alberta Order of Excellence, which recognizes Albertans who have served the province with excellence and distinction, invested seven individuals in a ceremony on June 14, 2007 in Edmonton.

Public Affairs Bureau

The Public Affairs Bureau is committed to ensuring that Albertans receive clear, consistent and timely communications about government programs and have convenient access to the government information they need.

Staff began the implementation of a strategic communications plan, including creating a long-term advertising plan and creating and implementing corporate communications design guidelines. All ministry websites were migrated to the corporate look and feel to make it easier for Albertans to find information online. A survey of Albertans confirmed the success of the redesign, with 55% of respondents agreeing that the design makes it easier to find information, and 51% agreeing that the design makes them feel confident they are getting the correct information. A majority of respondents (54%) agreed that Alberta government websites should have a consistent design and layout. Approximately two thirds (72%) of respondents had visited the website in the past.[1]

Public Affairs Bureau staff also developed an annual research plan to improve coordination and practices related to public-opinion research. Communication and implementation of a corporate communications policy was also undertaken.

To ensure government staff has easy access to government news and information, a corporate employee electronic newsletter, *GOA Connector*, was implemented successfully across all ministries.

[1] Ipsos Reid, Public Affairs Bureau; GoA Website Evaluation, June 2008

Bureau staff provided communications support for a variety of public consultations on government initiatives, including the Royalty Review Panel, the Land-use Framework, climate change, license plates and child care. Staff also developed a communications plan to promote the updated First Nations Consultation Guidelines.

Bureau staff assisted with ongoing government communications in a number of ways, including the Alberta Connects e-mail service, which responded to more than 45,000 e-mails in 2007-08.

Communications branches also supported programs and initiatives that support all five of the government's priorities. This includes increasing awareness through media relations and advertising for programs and announcements like Alberta's Health Workforce Action Plan, the response to mountain pine beetle infestations, Alberta's cultural policy, Budget 2007 and bullying prevention.

Media and public were made aware of the progress of the Royalty Review Panel and the government's response to the panel's recommendations through a website, information bulletins that invited Albertans to make submissions, ongoing media relations, webcasts, technical briefings, speaking engagements and strategic planning.

Staff communicated the government's response to the Alberta Affordable Housing Task Force report and government's commitment of $400 million to Alberta communities through the Municipal Sustainability Initiative.

Staff from a number of ministries developed communications surrounding the oil sands, including a comprehensive website, fact sheets and information for international missions.

Alberta seniors had better access to information through increased awareness and promotion of the Seniors Information Line. Alberta residents with concerns about accommodations, services and licensing to supportive living operators were able to call a new telephone information line to have their issues addressed.

Communications staff provided support for the Community Spirit Program, including the MLA committee review, internal working group, public consultation and the program design and launch. Staff also coordinated an information campaign, including radio advertising, to raise awareness of the enhanced charitable tax credit.

Delivering on government's commitment to support victims of crime, communications staff made information about victim services in Alberta available in 11 languages, and continued its five-year victim services awareness campaign.

Supporting the government's focus on investing in education, communications staff announced significant changes to the student financial assistance program totaling $25 million, a $7.9-million investment to support leading-edge projects in post-secondary education, the creation of 32 new schools and 41 modernization projects and scholarships awarded to a record 232 apprentices in Alberta's Apprenticeship and Industry Training program.

In 2007-08, staff provided the Premier and Minister with communications guidance and support for several intergovernmental conferences, including the Western Premiers' Conference in Nunavut, the Alberta – British Columbia joint cabinet meeting, a First Ministers' meeting, and for the Alberta delegation to the Pacific Northwest Economic Region summit in Anchorage, Alaska. Staff plays an ongoing and key role in planning and developing communications materials for the Trade, Investment and Labour Mobility Agreement (TILMA) between the governments of Alberta and British Columbia.

As well, communications staff helped advance Alberta's interests abroad by providing support for 68 trade missions and assisted with official foreign dignitaries' visits to Alberta. Staff also actively promoted the role of Alberta's international trade offices and provided communications support to the Alberta Foreign Offices Review Committee.

To support government's priority of building a stronger Alberta, communications staff planned and executed the announcement of the 20-year capital plan, the Value-Added and Technology Commercialization Task Force, the Financial Investment Planning and Advisory Commission and the Alberta Institute for Agriculture, Forestry and the Environment.

To ensure that government recruited and retained the best talent to serve Albertans, communications staff worked on a redesign of the Government of Alberta jobs website to create a more interactive, user-friendly and informative job search experience. The jobs website is the most-visited website in government with an average of 100,000 visitors each month.

Staff also provided communications support for government emergency planning, including announcing disaster recovery programs throughout the year to help residents recover from a series of severe storms.

Message from the Deputy Minister

The 2007-08 fiscal year brought action on government priorities, as well as a new cabinet and a new plan for the province. Before, during and after the transition, Executive Council staff were an important support to government in assisting with planning and changes, and communicating these changes to Albertans.

Executive Council provided strategic planning support, leadership on policy and cross-ministry collaboration and transition support for a new cabinet. This year saw the creation of the Agency Governance Secretariat, which supported the Board Governance Task Force and is now managing the implementation of the framework. Executive Council staff also supported the government's diplomatic activity, helping to coordinate visits of over 50 international dignitaries in 2007-08.

Thanks to the work of the Public Affairs Bureau staff, Albertans were made aware of government plans and priorities though website improvements, two-way communications and media relations. Strategic communications activities provided information on programs and announcements, including the Municipal Sustainability Initiative, Budget 2007 and education investment. Staff also ensured that Albertans had opportunities to have their say through a number of public consultations on topics like the Royalty Review and climate change.

Executive Council also continued to develop internal communications, launching a corporate intranet site and successfully piloting an employee e-newsletter.

I would like to thank Executive Council staff for their hard work throughout this year, and for their ongoing professionalism and dedication.

Original signed

Ron Hicks
Deputy Minister, Executive Council

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results included in the *Ministry of Executive Council's 2007–2008 Annual Report*. My responsibility is to carry out the following specified auditing procedures on performance measures in the annual report. I verified:

Completeness

1. Performance measures and targets matched those included in Budget 2007. Actual results are presented for all performance measures.

Reliability

2. Information in reports from external organizations, such as Statistics Canada, matched information that the Ministry used to calculate the actual results.

3. Information in reports that originated in the Ministry matched information that the Ministry used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

Comparability and Understandability

4. Actual results are presented clearly and consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

I found no exceptions when I performed these procedures.

As my examination was limited to these procedures, I do not express an opinion on whether the set of measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

Original signed by Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
August 12, 2008

Ministry Expense by Core Business and Function

	2007-08 Budget ($000)	2007-08 Actual ($000)	2006-07 Actual ($000)
Core Business			
Support strategic planning, policy development and decision-making for the Government of Alberta	9,087	8,733	6,359
Help government ministries communicate with Albertans	14,697	14,497	12,028
Total Expense by Function - General Government	**23,784**	**23,230**	**18,387**

Results Discussion and Analysis

A measure for Goal 1 "Government policy and planning are coordinated and effective", will be developed for the 2008-09 Annual Report

The measures related to Goal 2 "Albertans receive clear, consistent and timely communications about government programs and have convenient access to the government information they need" remain the same as the prior year.

2a. Public satisfaction with government communications increased by 1% from the previous year but remains below the target. The 75% approval rating target is quite aggressive for this type of measure.

2b. Public satisfaction with the government home page is within 5% of the target but 3% below last year's level. The number of respondents in the public survey who indicated that they had visited the Government of Alberta site increased over the previous year from 65% to 66%. Work continues to complete the migration of all government websites to the corporate standards to make it easier for users to access the information they need online.

2c. The satisfaction level of government clients increased slightly from the rating of 88% last year to 89% in 2007-08 but remains below the target. A number of staff in communications branches were reassigned as part of the government-wide reorganization and were working with new clients.

Performance Measures

GOAL 2

Albertans receive clear, consistent and timely communications about government programs and have convenient access to the government information they need

Linked to Core Business 2 – Help government ministries communicate with Albertans

Public Satisfaction with Government Communications

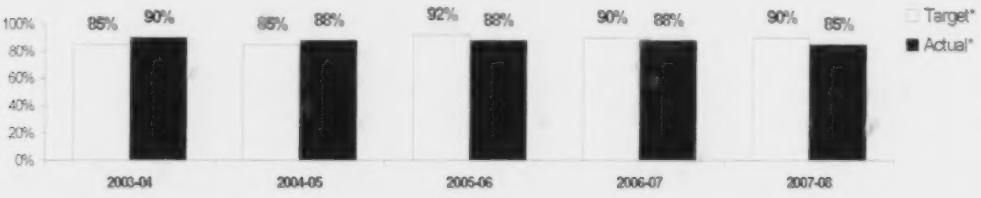
This measure rates Albertans' satisfaction with information they receive directly from government about programs and services.

(*Represents the total of "very" and "somewhat" satisfied responses) Source: Ipsos Reid

The 2007-08 results reflect telephone interviews with 800 adult Albertans conducted from May 12 to 18, 2008. Respondents were randomly selected from across the province. A sample of this size within the given population produces results that are reliable to within plus or minus 3.46% 19 times out of 20. Respondents were asked to choose from very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied. Figures shown reflect the averaged results of multiple questions. 'No response' replies are not included in the calculation of results.

Public Satisfaction with the Government of Alberta Home Page

This measure tracks users' satisfaction with the Alberta government home page by asking how useful they find the page in helping them locate the information they need. As the main portal to the Alberta government website, the home page offers access to government news as well as to information from ministries across government.



(*Represents the total of "very" and "somewhat" useful responses) Source: Ipsos Reid

The 2007-08 results reflect telephone interviews with 800 adult Albertans conducted from May 12 to 18, 2008. Respondents were randomly selected from across the province. A sample of this size within the given population produces results that are reliable to within plus or minus 3.46% 19 times out of 20. Respondents were first asked whether they had visited the Alberta

government website. Those who answered 'Yes' were then asked how useful they found the first page in helping them to locate the information they needed by choosing from very useful, somewhat useful, not very useful or not at all useful. 'No response' replies are not included in the calculation of results.

Government Client Satisfaction with Communications Support and Services Received

This measure rates government client satisfaction levels with communications services provided by the Public Affairs Bureau.

(*Represents the total of "very" and "generally" satisfied responses)

Source: Survey compiled internally by Executive Council Corporate Services and administered using *Opinio*

Communications directors compiled lists of 931 departmental clients who were contacted via e-mail and provided with a link to a web address that allowed them to complete their surveys online. The survey was conducted from May 20 to June 20, 2008. Responses were received from 421 clients. The survey results were compiled internally by the Public Affairs Bureau. Respondents were asked to choose from very satisfied, generally satisfied, generally dissatisfied or very dissatisfied. Figures shown reflect the averaged results of multiple questions.

MINISTRY OF EXECUTIVE COUNCIL

Financial Statements

March 31, 2008

Auditor's Report

Statement of Operations

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Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 - Expenses Directly Incurred Detailed By Object

Schedule 2 - Budget

Schedule 3 - Comparison of Expenses – Directly Incurred and Statutory Expenses By Element to Authorized Budget

Schedule 4 - Salary and Benefits Disclosure

Schedule 5 - Related Party Transactions

Schedule 6 - Allocated Costs – Expenses Incurred By Others and Valuation Adjustments

Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Executive Council as at March 31, 2008 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry of Executive Council as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
May 16, 2008

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

MINISTRY OF EXECUTIVE COUNCIL

Statement of Operations

Year ended March 31, 2008

	(in thousands)		
	2008		2007
	Budget (Schedule 3)	Actual	Actual
Revenues			
Internal Government Transfers	$ -	$ -	$ -
Transfers from the Government of Canada	-	-	-
Premiums, Fees and Licences	-	1	-
Other Revenue	-	203	153
	-	204	153
Expenses - Directly Incurred (Note 2b and Schedule 6)			
Voted (Schedules 1, 3)			
Office of the Premier/Executive Council	8,887	8,733	7,929
Public Affairs	14,322	14,497	13,612
	23,209	23,230	21,541
Statutory (Schedules 2 and 3)			
Valuation Adjustments			
Provision (Decrease) for Vacation Pay		(7)	149
	23,209	23,223	21,690
Net Operating Results	$ (23,209)	$ (23,019)	$ (21,537)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF EXECUTIVE COUNCIL

Statement of Financial Position

March 31, 2008

	(in thousands) 2008	2007
ASSETS		
Cash	$ 47	$ 40
Accounts Receivable	8	65
Advances	3	3
	$ 58	$ 108
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 3,689	3,759
	3,689	$ 3,759
NET LIABILITIES		
Net Liabilities at Beginning of Year	(3,651)	(3,080)
Net Operating Results	$ (23,019)	(21,537)
Net Financing provided from (for) General Revenues	23,039	20,966
Net Liabilities at End of Year	(3,631)	(3,651)
	$ 58	$ 108

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF EXECUTIVE COUNCIL

Statement of Cash Flow

Year Ended March 31, 2008

	(in thousands) 2008	2007 (Restated)
Operating Transactions		
Net Operating Results	$ (23,019)	$ (21,537)
Non-cash Items included in Net Operating Results		
Valuation Adjustments	(7)	149
	(23,026)	(21,388)
Decrease (Increase) in Accounts Receivable and Advances	57	(51)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(63)	475
Cash applied to Operating Transactions	(23,032)	(20,964)
Financing Transactions		
Net Financing provided from (for) General Revenues	23,039	20,966
Increase (Decrease) in Cash	7	2
Cash, Beginning of Year	40	38
Cash, End of Year	$ 47	$ 40

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF EXECUTIVE COUNCIL

Notes to the Financial Statements

Year ended March 31, 2008

NOTE 1 AUTHORITY

The Ministry of Executive Council operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared primarily in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (PSAB). The PSAB financial statements presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the departments.

(a) Reporting Entity

The reporting entity is the Ministry of Executive Council. This entity consists of the activities of the Office of the Premier/Executive Council and Public Affairs Bureau.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing provided from (for) General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- pension costs which comprise the cost of employer contributions for current service of employees during the year; and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others
Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 6

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000. All land is capitalized. The Ministry has no tangible capital assets that meet these thresholds.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Liabilities

Net liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

NOTE 3 CONTRACTUAL OBLIGATIONS
(in thousands)

	2008	2007
Service contracts	$ 70	$ 0

The aggregate amounts payable for the unexpired terms of these contractual obligations will be fulfilled in 2009.

NOTE 4 CONTINGENT LIABILITIES
(in thousands)

At March 31, 2008 the Department is a defendant in one legal claim (2007 – zero legal claims). This claim has a specified amount totaling $76 and is covered by the Alberta Risk Management Fund.

NOTE 5 DEFINED BENEFIT PLANS
(in thousands)

The Ministry participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $2,026 for the year ended March 31, 2008 (2007 - $1,837).

At December 31, 2007, the Management Employees Pension Plan reported a deficiency of $84,341 (2006 - $6,765) and the Public Service Pension Plan reported a deficiency of $92,070 (2006 – surplus of $153,024). At December 31, 2007, the Supplementary Retirement Plan for Public Service Managers had a surplus of $1,510 (2006 - $3,698).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2008, the Bargaining Unit Plan reported an actuarial deficiency of $6,319 (2007 surplus - $153) and the Management, Opted Out and Excluded Plan an actuarial surplus of $7,874 (2007 - $10,148). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 6 COMPARATIVE FIGURES

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

NOTE 7 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedule to the Financial Statements

Schedule 1

Expenses - Directly Incurred Detailed by Object

Year ended March 31, 2008

(in thousands)

	2008 Budget	2008 Actual	2007 Actual
Voted			
Salaries, Wages and Employee Benefits	$ 19,554	$ 19,836	$ 17,941
Supplies and Services	3,459	3,213	3,457
Grants	-	-	-
Financial Transactions and Other	196	181	143
Amortization of Capital Assets	-	-	-
	$ 23,209	$ 23,230	$ 21,541
Statutory			
Valuation adjustments			
Provision (Decrease) for Vacation Pay	$ -	$ (7)	$ 149

Schedule to the Financial Statements

Budget

Schedule 2

Year ended March 31, 2008

	2007-2008 Estimates	Authorized Supplementary	2007-2008 Authorized Budget
Revenues:			
Fees, Permits and Licenses	$ -	$ -	$ -
Other Revenue	-	-	-
	-	-	-
Expenses:			
Voted Expenses			
Office of the Premier/Executive Council	8,887	200	9,087
Public Affairs	14,322	375	14,697
	23,209	575	23,784
Statutory Expenses			
Valuation Adjustments			
Provision for Vacation Pay	-	-	-
Total Expenses	23,209	575	23,784
Net Operating Results	$ (23,209)	$ (575)	$ (23,784)

Schedule to the Financial Statements

Comparison of Expenses - Directly Incurred and Statutory Expenses by Element to Authorized Budget

Schedule 3

Year ended March 31, 2008

(in thousands)

	2007-2008 Estimates	Authorized Supplementary (a)	2007-2008 Authorized Budget	2007-2008 Actual Expense (b)	Unexpended (Over Expended)
Voted Expense					
Office of the Premier/Executive Council					
1.0.1 Office of the Premier/Executive Council	$ 8,400	$ 200	$ 8,600	$ 8,280	$ 320
1.0.2 Office of the Lieutenant Governor	487	-	487	453	34
	8,887	200	9,087	8,733	354
Public Affairs					
2.0.1 Support Services	1,735	50	1,785	1,845	(60)
2.0.2 Communication Services	9,010	325	9,335	9,393	(58)
2.0.3 Communications Resources	3,577	-	3,577	3,259	-
	14,322	375	14,697	14,497	(118)
Total Voted Expenses	$ 23,209	$ 575	$ 23,784	$ 23,230	$ 236
Statutory Expenses					
Valuation Adjustments	-	-	-	(7)	7
	$ -	$ -	$ -	$ (7)	$ 7

(a) Supplementary estimates approved on December 7, 2007

(b) Includes achievement bonus amounting to $1,083

Schedule to the Financial Statements

Salary and Benefits Disclosure

Schedule 4

Year ended March 31, 2008

	2008				2007
	Base Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total
Senior Officials					
Deputy Minister (4)	$288,144	$102,350	$ 69,934	$460,428	$401,905
Chief of Staff (4)	212,225	70,704	54,200	337,129	324,728
Deputy Secretary to Cabinet (4)	165,036	34,500	40,666	240,202	249,901
Executive Director, Southern Alberta Office	145,062	30,922	38,737	214,721	179,799
Director of Communications	132,380	44,963	6,017	183,360	267,244
Deputy Chief, Policy Coordination (4) (5)	174,792	33,283	41,283	249,358	165,262
Managing Director, Public Affairs Bureau (4) (6)	140,032	23,555	37,562	201,149	201,733
Executives					
Office of the Premier/Executive Council:					
Deputy Chief of Staff (7)	65,292	29,653	4,242	99,187	74,736
Chief of Protocol	125,856	19,100	32,348	177,304	157,419
Public Affairs:					
Executive Director, Communications Support Services	119,592	26,382	30,979	176,953	154,217
Executive Director, Strategic Communications - Social	134,868	27,728	33,402	195,998	180,786
Executive Director, Strategic Communications - Economic	127,656	24,358	31,620	183,634	99,948
Executive Director, Corporate Services	134,868	29,567	8,308	172,743	167,274

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, lump sum payments and acting pay.

(3) Other non-cash benefits include the government's share of all employee benefits and contribution or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other non-cash benefits.

(5) The incumbent in this position transferred to the new ministry of Housing and Urban Affairs on March 13, 2008. However, Executive Council is reporting salary and benefits information including bonus for the full fiscal year.

(6) The position was occupied by two individuals during the year. The first from April 1 to August 17, 2007 and the second from October 15, 2007 to March 31, 2008.

(7) Appointed October 1, 2007.

Schedule to the Financial Statements

Related Party Transactions

Schedule 5

Year ended March 31, 2008
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2008	**2007**
Expenses directly incurred		
Other Services	$ 367	$ 321
Receivable from Other Government Departments	$ 1	$ 6

The above transactions do not include support service arrangement transactions disclosed in Schedule 1.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 6.

	Other Entities	
	2008	**2007**
Expenses - Incurred by Others		
Accommodation	$ 628	$ 369
Executive Vehicles	1	2
Legal	43	33
Internal Audit Services	14	11
Service Alberta	343	336
Air Transportation	542	695
	$ 1,571	$ 1,446

MINISTRY OF EXECUTIVE COUNCIL

Schedule to Financial Statements

Allocated Costs - Expenses incurred by Others and Valuation Adjustments

Schedule 6

Year Ended March 31, 2008
(in thousands)

	2008										2007
		Expenses incurred by Others						Valuation Adjustments			
	Expenses[1]	Accomodation Costs	Executive Vehicles	Legal Services	Internal Audit Services	Service Alberta	Air Transportation	Vacation Pay	Banked Overtime	Total Expenses	Total Expenses
Office of the Premier Executive Council	$ 8,733	$ 140	$ 1	$ 25	$ 14	-	$ 542	$ 46	$ 3	$ 9,504	$ 8,758
Public Affairs Bureau	14,497	488	-	18	-	343	-	(73)	17	15,290	14,378
	$ 23,230	$ 628	$ 1	$ 43	$ 14	$ 343	$ 542	$ (27)	$ 20	$ 24,794	$ 23,136

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

ALPHABETICAL LISTING

Entities' Financial Statements in Ministry 2007-08 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Access to the Future Fund	Advanced Education and Technology
Agriculture Financial Services Corporation	Agriculture and Food
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Cancer Prevention Legacy Fund	Finance
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board[1]	Energy
Alberta Foundation for the Arts	Tourism, Parks, Recreation and Culture
Alberta Gaming and Liquor Commission	Solicitor General and Public Security
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Tourism, Parks, Recreation and Culture
Alberta Insurance Council	Finance
Alberta Investment Management Corporation[2]	Finance
Alberta Local Authorities Pension Plan Corporation	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Advanced Education and Technology
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Municipal Affairs and Housing
Alberta Sport, Recreation, Parks and Wildlife Foundation	Tourism, Parks, Recreation and Culture
Alberta Treasury Branches	Finance
Alberta Utilities Commission[1]	Energy
ATB Insurance Advisors Inc.	Finance
ATB Investment Management Inc.	Finance
ATB Investment Services Inc.	Finance
ATB Securities Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
C-FER Technologies (1999) Inc.	Advanced Education and Technology
Climate Change and Emissions Management Fund[3]	Environment
Credit Union Deposit Guarantee Corporation	Finance

[1] Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.

[2] Began operations January 1, 2008

[3] Began operations July 1, 2007

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Colleges:	Advanced Education and Technology
Alberta College of Art and Design	
Bow Valley College	
Grande Prairie Regional College	
Grant MacEwan College	
Keyano College	
Lakeland College	
Lethbridge Community College	
Medicine Hat College	
Mount Royal College	
NorQuest College	
Northern Lakes College	
Olds College	
Portage College	
Red Deer College	
Department of Advanced Education and Technology	Advanced Education and Technology
Department of Agriculture and Food	Agriculture and Food
Department of Children's Services	Children's Services
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Environment	Environment
Department of Health and Wellness	Health and Wellness
Department of Municipal Affairs and Housing	Municipal Affairs and Housing
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Department of Tourism, Parks, Recreation and Culture	Tourism, Parks, Recreation and Culture
Energy Resources Conservation Board[1]	Energy
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Tourism, Parks, Recreation and Culture
Historic Resources Fund	Tourism, Parks, Recreation and Culture
Human Rights, Citizenship and Multiculturalism Education Fund	Tourism, Parks, Recreation and Culture
iCORE Inc.	Advanced Education and Technology
Lottery Fund	Solicitor General and Public Security
Ministry of Advanced Education and Technology	Advanced Education and Technology
Ministry of Agriculture and Food	Agriculture and Food
Ministry of Children's Services	Children's Services
Ministry of Education	Education
Ministry of Employment, Immigration and Industry[4]	Employment, Immigration and Industry
Ministry of Energy	Energy
Ministry of Environment	Environment
Ministry of Executive Council[4]	Executive Council
Ministry of Finance	Finance
Ministry of Health and Wellness	Health and Wellness
Ministry of Infrastructure and Transportation[4]	Infrastructure and Transportation
Ministry of International, Intergovernmental and Aboriginal Relations[4]	International, Intergovernmental and Aboriginal Relations
Ministry of Justice[4]	Justice

[1] Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.

[4] Ministry includes only the departments so separate departmental financial statements are not necessary.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Ministry of Municipal Affairs and Housing	Municipal Affairs and Housing
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Service Alberta [4]	Service Alberta
Ministry of Solicitor General and Public Security	Solicitor General and Public Security
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Tourism, Parks, Recreation and Culture	Tourism, Parks, Recreation and Culture
Ministry of the Treasury Board [4]	Treasury Board
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board[5]	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Regional Health Authorities and Provincial Health Boards:	Health and Wellness
Alberta Cancer Board	
Alberta Mental Health Board	
Aspen Regional Health Authority	
Calgary Health Region	
Capital Health	
Chinook Regional Health Authority	
David Thompson Regional Health Authority	
East Central Health	
Health Quality Council of Alberta	
Northern Lights Health Region	
Peace Country Health	
Palliser Health Region	
Safety Codes Council	Municipal Affairs and Housing
School Boards and Charter Schools:	Education
Almadina School Society	
Aspen View Regional Division No. 19	
Aurora School Ltd.	
Battle River Regional Division No. 31	
Black Gold Regional Division No. 18	
Boyle Street Education Centre	
Buffalo Trail Public Schools Regional Division No. 28	
Calgary Arts Academy Society	
Calgary Girls' School Society	
Calgary Roman Catholic Separate School District No. 1	
Calgary School District No. 19	
Calgary Science School Society	
Canadian Rockies Regional Division No. 12	
CAPE-Centre for Academic and Personal Excellence Institute	
Chinook's Edge School Division No. 73	
Christ the Redeemer Catholic Separate Regional Division No. 3	
Clearview School Division No. 71	
East Central Alberta Catholic Separate Schools Regional Division No. 16	

[4] Ministry includes only the departments so separate departmental financial statements are not necessary.

[5] Ceased operations June 30, 2006

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
East Central Francophone Education Region No. 3	
Edmonton Catholic Separate School District No. 7	
Edmonton School District No. 7	
Elk Island Catholic Separate Regional Division No. 41	
Elk Island Public Schools Regional Division No. 14	
Evergreen Catholic Separate Regional Division No. 2	
FFCA Charter School Society	
Foothills School Division No. 38	
Fort McMurray Roman Catholic Separate School District No. 32	
Fort McMurray School District No. 2833	
Fort Vermilion School Division No. 52	
Golden Hills School Division No. 75	
Grande Prairie Public School District No. 2357	
Grande Prairie Roman Catholic Separate School District No. 28	
Grande Yellowhead Regional Division No. 35	
Grasslands Regional Division No. 6	
Greater North Central Francophone Education Region No. 2	
Greater Southern Public Francophone Education Region No. 4	
Greater Southern Separate Catholic Francophone Education Region No. 4	
Greater St. Albert Catholic Regional Division No. 29	
High Prairie School Division No. 48	
Holy Family Catholic Regional Division No. 37	
Holy Spirit Roman Catholic Separate Regional Division No. 4	
Horizon School Division No. 67	
Lakeland Roman Catholic Separate School District No. 150	
Lethbridge School District No. 51	
Living Waters Catholic Regional Division No. 42	
Livingstone Range School Division No. 68	
Medicine Hat Catholic Separate Regional Division No. 20	
Medicine Hat School District No. 76	
Moberly Hall School Society	
Mother Earth's Children's Charter School Society	
New Horizons Charter School Society	
Northern Gateway Regional Division No. 10	
Northern Lights School Division No. 69	
Northland School Division No. 61	
Northwest Francophone Education Region No. 1	
Palliser Regional Division No. 26	
Parkland School Division No. 70	
Peace River School Division No. 10	
Peace Wapiti School Division No. 76	
Pembina Hills Regional Division No. 7	
Prairie Land Regional Division No. 25	
Prairie Rose School Division No. 8	
Red Deer Catholic Regional Division No. 39	
Red Deer School District No. 104	
Rocky View School Division No. 41	
St. Albert Protestant Separate School District No. 6	
St. Paul Education Regional Division No. 1	
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	
Sturgeon School Division No. 24	
Suzuki Charter School Society	
Westmount Charter School Society	

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Westwind School Division No. 74	
Wetaskiwin Regional Division No. 11	
Wild Rose School Division No. 66	
Wolf Creek School Division No. 72	
Supplementary Retirement Plan Reserve Fund	Finance
Technical Institutes and The Banff Centre:	Advanced Education and Technology
Northern Alberta Institute of Technology	
Southern Alberta Institute of Technology	
The Banff Centre for Continuing Education	
Universities:	Advanced Education and Technology
Athabasca University	
The University of Alberta	
The University of Calgary	
The University of Lethbridge	
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Tourism, Parks, Recreation and Culture

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	*Ministry Annual Report*
Alberta Foundation for Health Research	Advanced Education and Technology
Alberta Heritage Foundation for Medical Research	Advanced Education and Technology
Alberta Heritage Foundation for Science and Engineering Research	Advanced Education and Technology
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs and Housing
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Service Alberta
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Service Alberta
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Special Areas Trust Account	Municipal Affairs and Housing
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Employment, Immigration and Industry

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